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THE BACKGROUND OF VARGAS' RESIGNATION AND SUICIDE

The resignation and suicide of Brazil's president Vargas on 24 August occurred against a background of political instability which has as its immediate cause the discontent of the military and other conservative elements with the way Vargas and his clique ran the government. Underlying this, however, is a series of continuing, critical economic problems and a dearth of sound political leadership.

The succession of Vice President Café Filho may temporarily improve the domestic political atmosphere, but will not necessarily provide solutions to the underlying problems. It will not alter Brazil's orientation toward the United States.

The current crisis was set off by one of the scandals which had become a hallmark of the Vargas administration. The alleged involvement of Vargas' brother and son and his personal guard in the attempted assassination on 5 August of an anti-Vargas newspaper publisher, which resulted in the death of an air force major, came at a time of intense public anxiety over stalled coffee sales and rapid weakening of the currency. Politically, it rocked the nation.

Key figures in the armed forces, already concerned over the graft, Communist influence and economic confusion in the Vargas administration, saw the incident as a final challenge to their constitutional role as ultimate guardians of the nation's welfare. Their pressure, combined with the public statements of Brazil's two living ex-presidents, finally proved a match for Vargas' previously successful techniques of dividing and distracting the opposition.

The suicide of the 71-year-old ex-dictator may preserve for his large following the cultivated myth of the indispensable man and great humanitarian, but it will not eliminate the political and economic problems fostered by his rule. Foreign exchange and inflation crises have been chronic in postwar Brazil because of the country's limited and overpriced exports, its rapid industrial expansion, and its unrealistic social legislation. They have been aggravated, however, since 1951 under the Vargas government, which encouraged an atmosphere of administrative confusion and political dithering with economic problems. The political leaders needed to clarify and solve these problems have not yet emerged from the party organizations, all of which are relatively new and fluid and have in one way or another been manipulated by Vargas.

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The new president, Joao Café Filho, faces not only these basic problems but congressional and state elections in early October, in which, until this week, the only issue was Vargas himself. An opportunistic professional politician, Café Filho appears to have lived down his dealings with the Communists in the 1945 election and has recently made speeches favoring private enterprise and the entry of foreign capital. Because of his background and because of the Vargas crisis, the armed forces undoubtedly will keep a close watch on the new president and will be in a position to enforce their views. Since the military leaders themselves are pro-American, domestic political changes are unlikely to bring any alteration in Brazil's international orientation.

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